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Congress of the United States
House of Representatives
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The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
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Dear Secretary Sebelius,

I recently received your reply to questions I posed to you during the June 24th House Energy and Commerce Committee hearing preceding the release of H.R. 3200, the America's Affordable Health Choices Act. I understand that your time is limited and you must delegate provision of thorough information to your staff. It is for that reason that I am returning your response for further explanation. As you are aware, the response from your office was inadequate at best, insufficient, and in need of additional detail provided to my colleagues on the Energy and Commerce Committee.

We both grasp the magnitude of the legislation before the House. It will forever alter 17% of our nation's economy and the daily lives of every American. Surely a thoughtful and informed approach to this legislation is called for. That is in part why your original responses are so disappointing. Hence, I would appreciate the professional courtesy of more complete and thoughtful answers.

My first question pertained to my home state's experience with TennCare, a public option health care system that replaced Medicaid in Tennessee in 1994. As with the proposal before us, Tennessee legislators were promised that TennCare would save money over the current system and allow expanded coverage. Medicaid enrollees were taken off a system they were comfortable with and forced on a new public option similar to provisions included in H.R. 3200, which is currently before the House Energy and Commerce Committee. In 1994, TennCare cost approximately \$2 billion; by 2004, it had exploded to \$8 billion, consuming nearly every dollar of new state revenue and nearly bankrupting Tennessee. TennCare didn't save money, it didn't expand coverage as it promised, and ultimately more than a hundred thousand people had to be removed from the program.

In the June 24th hearing, I asked you if the Administration had looked at TennCare and gleaned any lessons from the Tennessee's experience. As the promises made when TennCare was instituted are so strikingly similar to the promises I am hearing from the Administration today, I believe my question is fair and pertinent. Governor Bredesen has

called TennCare "a disaster." What has the Administration learned from Tennessee's "disaster" to ensure that the same events don't befall a national public option system?

Your answer to my question was, in its entirety: "We have learned many lessons from the TennCare experience and recognize its goals, but TennCare is not a traditional public option."

My follow up questions are obvious:

- 1) What, specifically, are those lessons that you have learned?
- 2) If TennCare is not a traditional public option that we should look to as an example of how government run care works, what "traditional" examples would you have us look to? Is there a system that better resolved the kinds of delivery problems and cost overruns that TennCare experienced?

My next question concerned the future of Medicare Advantage under a public option structure. Again, your answer in its entirety: "The Medicare Advantage program provides important choice for our senior populations. The public option in health reform would be a part of the exchange, as one option alongside several private health insurance options that would be available to our non-elderly populations. Both would serve as an avenue to increase choice and improve quality and access to health care for all Americans."

My follow up question here can easily be answered with the "yes" or "no". Will Medicare Advantage continue to exist in its current form under the plan we are examining today?

Finally, I asked you about deficit neutrality. Given recent reports from CBO about the staggering price tag of the plan before us, do you support tax increases to pay the trillion dollar price tag, or do you believe that you can account for 100% of the cost through cutting waste, fraud, and abuse? What options do you support to pay for health reform legislation passed by Congress and sent to President Obama for signature?

I thank you for your diligent service to our nation and eagerly await your expanded answers.

Sincerely,



Marsha Blackburn
Member of Congress

Enclosure